

BILL NO. 81-54

BOOK 6 PAGE 722
COUNTY COUNCIL

OF
HARFORD COUNTY, MARYLAND

BILL NO. 81-54

Introduced by Council Member Schafer and Council President Hardwicke
at the request of the County Executive

Legislative Day No. 81-23 Date August 4, 1981

AN ACT authorizing and empowering Harford County, Maryland, to issue and sell its industrial development revenue bonds, to be designated "Harford County, Maryland Industrial Development Revenue Bonds (Courtland Hardware, Inc. Project)" in a principal amount not to exceed Eight Hundred Twenty-Five Thousand Dollars (\$825,000) pursuant to the provisions of Section 266(A) to 266(I), inclusive of Article 41 of the Annotated Code of Maryland (1978 Replacement Volume 1980 Cumulative Supplement), as amended, for the sole and exclusive purpose of financing the acquisition of an industrial building in Harford County, Maryland, as provided in this Ordinance; making certain legislative findings among others, concerning the public benefit and purpose of such industrial development revenue bonds; providing that such industrial development bonds (a) shall be payable solely and only from (i) revenue derived from payments by Courtland Hardware, Inc. to Harford County, Maryland, on account of such loan, and (ii) any and all monies realized from the sale of the collateral as described herein, and (b) shall not constitute within the meaning of any constitutional or charter provision or otherwise, (i) indebtedness of Harford County, Maryland, or of any other political subdivision, (ii) a charge against the general credit or taxing powers of Harford County, Maryland, or (iii) a capital project under the Charter or local laws of Harford County, Maryland, or laws of the State of Maryland; authorizing the private (negotiated) sale of such industrial development revenue bonds;

By the Council, August 4, 1981

Introduced, read first time, ordered posted and public hearing scheduled

on: September 8, 1981

at: 6:30 P.M.

By Order: Angela Markowski, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on September 8, 1981 and concluded on September 8, 1981.

Angela Markowski, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Bracketed] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

BILL NO. 81-54

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BOOK 6 PAGE 723

COUNTY COUNCIL

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HARFORD COUNTY, MARYLAND

BILL NO. _____

Introduced by _____

Legislative Day No. _____ Date _____

prescribing certain details pertaining to such industrial development revenue bonds, including (without limitation) (a) the amount, date, and maturity of such industrial development revenue bonds, (b) the interest rate to be paid on such industrial development revenue bonds, (c) the prepayment provisions, if any, relating to such industrial development revenue bonds, (d) the form and tenor of such industrial development revenue bonds and (e) the terms, conditions, and security for such industrial development revenue bonds; and providing for approval by resolution of the Harford County Council of the form and contents and authorizing the execution and delivery of the various documents necessary or appropriate to effectuate the aforementioned sale of industrial development revenue bonds, and any change in the maturity schedule of the bonds, the interest rates payable, redemption feature of the bonds, and the amount of the industrial development revenue bonds to be sold (not exceeding Eight Hundred Twenty-Five Thousand Dollars (\$825,000)); authorizing the execution of the statement of election required by Section 103(b)(6)(D) of the Federal Internal Revenue Code of 1954, as amended; and providing for the method(s) for determining the principal amount of the bonds not exceeding Eight Hundred Twenty-Five Thousand Dollars (\$825,000) payment dates, maturity schedule, interest rates, prepayment penalties, denomination of bonds, and the terms and conditions and security for the bonds including authorization, execution, and delivery of documents necessary or appropriate in connection with the bonds and/or the

By the Council, _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____

at: _____

By Order: _____, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____ and concluded on _____.

_____, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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BOOK 6 PAGE 724

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. _____

Introduced by _____

Legislative Day No. _____ Date _____

security therefor, pursuant to resolution(s) approved by the Harford County Council and generally providing for and determining various matters in connection with the authorization, security, sale, and payment of such industrial development revenue bonds, indicating that this Ordinance has no financial impact on Harford County.

By the Council, _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____

at: _____

By Order: _____, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____ and concluded on _____.

_____, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

BILL NO. 81-54

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND
BILL NO. 81-54

Legislative Day No. 81-23 Date: August 4, 1981

BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, THAT Harford County, Maryland, is hereby authorized and empowered to issue and sell its industrial development revenue bonds to be designated "Harford County, Maryland Industrial Development Revenue Bonds (Courtland Hardware, Inc. Project)", in the principal amount not exceeding Eight Hundred Twenty Five Thousand Dollars (\$825,000) pursuant to the provisions of Section 266(A) to 266(I), inclusive, of Article 41 of the Annotated Code of Maryland (1978 Replacement Volume, 1980 Cumulative Supplement), as amended, in order to loan the proceeds thereof to Courtland Hardware, Inc. ("Company"), for the sole and exclusive purpose of financing the acquisition by the Company of an industrial building in Harford County, Maryland, as provided in this Ordinance; making certain legislative findings, among others, concerning the public benefit and purpose of such industrial development revenue bonds; providing that such industrial development revenue bonds (a) shall be payable solely and only from (i) revenues derived from payments by the Company to Harford County, Maryland, (ii) any and all monies realized from the sale of collateral and (iii) any other funds available for such purpose and (b) shall not ever constitute, within the meaning of any constitutional or charter provision or otherwise, (i) an indebtedness of Harford County, Maryland, or of any other political subdivision (ii) a charge against the general credit or taxing powers of Harford County, Maryland; authorizing the private (negotiated) sale of such

1 industrial development revenue bonds; prescribing certain details
2 pertaining to such industrial development revenue bonds,
3 including (without limitation) (a) that the amount, dates and
4 maturity schedule of such industrial development revenue bonds,
5 the interest rate to be paid on such industrial development
6 revenue bonds, the prepayment penalty provision, if any, relating
7 to such industrial development revenue bonds, the denomination
8 of the bonds, the terms, conditions and security for such
9 industrial development revenue bonds, including the authorization,
10 execution and delivery of the various documents necessary or
11 appropriate to effectuate the sale of the industrial development
12 revenue bonds and the execution of all documents necessary or
13 appropriate in connection with such industrial development
14 revenue bonds shall be approved by resolution of the Harford
15 County Council, and (b) the form and tenor of such industrial
16 development revenue bonds; authorizing the execution of the
17 statement of election required by Section 103(b)(6)(D) of the
18 Federal Internal Revenue Code of 1954 as amended; and generally
19 providing for and determining various matters in connection with
20 the authorization, issuance, security, sale and payment of such
21 industrial development revenue bonds; and providing for the
22 method(s) for determining the principal amount of the bonds not
23 exceeding Eight Hundred Twenty Five Thousand Dollars (\$825,000),
24 payment dates, maturity schedule, interest rates, prepayment
25 penalties, denomination of bonds and the terms, conditions and
26 security for the bonds including authorization, execution and
27 delivery of documents necessary or appropriate in connection
28 with the bonds and/or the security therefor, pursuant to
29 resolution(s) approved by the Harford County Council.
30
31
32

RECITAL

Sections 266(A) to 266(I), inclusive, of Article 41 of the Annotated Code of Maryland (1978 Replacement Volume, 1980 Cumulative Supplement) as amended, (the "Act") empowers all the Counties and Municipalities of the State of Maryland to issue revenue bonds and to loan the proceeds of sale of such revenue bonds to an industrial concern to finance the acquisition (as defined in the Act) by such industrial concern of industrial buildings (as defined in the Act). The Act declares it to be the legislative purpose to relieve conditions of unemployment in the State, to encourage the increase of industry and a balanced economy in the State, to assist in the retention of existing industry in the State through the control, reduction or abatement of pollution of the environment (where the proceeds of bonds are used for that purpose), to promote economic development, to promote natural resources and, in this manner, to promote the health, welfare and safety of the residents of each of the Counties and municipalities of the State of Maryland.

Harford County, Maryland, (the "County") has determined to issue and sell its Harford County, Maryland, Industrial Development Revenue Bonds (Courtland Hardware, Inc. Project), in an amount not exceeding Eight Hundred Twenty Five Thousand Dollars (\$825,000) (the "Bonds") and to loan ("Loan") the proceeds of the Bonds to the Company, an industrial concern as mentioned in the Act, on the terms and conditions set forth in agreements to be entered into by and between the County, the Company and others (the "Agreements"), as provided by this Ordinance and in resolutions to be passed from time to time by the County Council of Harford County, Maryland, in order to finance the acquisition (within the meaning of the Act) by the Company of a certain industrial building (within the meaning of the Act) in Harford County, Maryland (the "Industrial

1 Building"), and thereby relieve conditions of unemployment in
2 the State of Maryland and in Harford County, Maryland, and thus
3 encourage economic development and protect the health, welfare
4 and safety of the citizens of the State of Maryland and Harford
5 County, Maryland.

6 The Bonds will be sold at private (negotiated) sale to
7 Commercial and Savings Bank (the "Bank") or any other purchaser
8 approved by resolution of the Harford County Council.

9 The Company will execute and deliver or cause to be executed
10 and delivered (a) a deed of trust ("Deed of Trust") conveying
11 the Industrial Building as security for the Loan (b) such other
12 Agreements as may be necessary or appropriate to accomplish the
13 foregoing and/or to provide security for the purchasers of
14 the Bonds and to indicate that the issuance and sale of the
15 Bonds and the execution and delivery of the Agreements are to
16 be without any liability of any kind on the part of the County.

17 The County received a letter of intent from the Company
18 dated June 26, 1981 (the "Letter of Intent"), requesting
19 the County to participate in the financing of the acquisition
20 of the Industrial Building in an amount not to exceed Eight
21 Hundred Twenty Five Thousand Dollars (\$825,000). The Letter of
22 Intent was approved by the County Council of Harford County,
23 Maryland, (the "County Council") by Resolution Number 24 -81,
24 adopted on July 7, 1981 and accepted by the County Executive
25 and the President of the County Council on July 7, 1981
26 subject to the adoption of this Ordinance.

27 NOW THEREFORE, in accordance with the terms and provisions
28 of the Act and the Charter of Harford County, Maryland:

29 Section 1. BE IT ENACTED BY THE COUNTY COUNCIL OF
30 HARFORD COUNTY, MARYLAND, that acting pursuant to the Act, it
31 is hereby found and determined as follows:

32 1. The issuance and sale of the Bonds by the County in

BOOK 6 PAGE 729

1 order to lend the proceeds thereof to the Company pursuant to
2 the Act for the sole and exclusive purpose of financing the
3 acquisition of the Industrial Building (within the meaning of the
4 Act) will facilitate and expedite the acquisition of the
5 Industrial Building by the Company. The Industrial Building
6 will consist of approximately 40,000 square feet of land bounded
7 by Alice Anne Street, Bond Street and Pennsylvania Avenue in Bel
8 Air, Maryland, and construction of a brick and metal building
9 to be used in the business of the Company.

10 2. The acquisition of the Industrial Building by the
11 Company and the financing of the Industrial Building as provided
12 in this Ordinance will promote the declared legislative purposes
13 of the Act by (a) sustaining jobs and employment, thus relieving
14 conditions of unemployment in the State of Maryland and in
15 Harford County, Maryland; (b) encouraging the increase of
16 industry and a balanced economy in the State of Maryland and in
17 Harford County, Maryland; (c) assisting in the retention of
18 existing industry in the State of Maryland and in Harford
19 County, Maryland; (d) and promoting economic development; and
20 (e) promoting the health, welfare and safety of the residents of
21 Harford County, Maryland, and in the State of Maryland.

22 3. It is in the best interests of the citizens of the
23 County to finance the acquisition of the Industrial Building
24 by a loan to the Company.

25 4. Neither the Bonds nor the interest thereon, will
26 constitute (a) a general obligation of the County or (b) a
27 charge against or pledge of the general credit or taxing
28 powers of the County within the meaning of the Constitution
29 of Maryland or any constitutional, statutory or charter
30 provision or limitation, and neither shall ever constitute or
31 give rise to any pecuniary liability on the part of the County.
32 The principal of and interest on the Bonds shall be payable

1 from and secured by (a) an assignment of (i) the revenue
2 realized and the collateral pledged, under the Loan Agreement,
3 and (ii) the Company's right, title and interest in and to,
4 and remedies under the Deed of Trust, and (b) such other
5 Agreements as may be necessary or appropriate. No monies will
6 be comingled with the County's funds or will be subject to the
7 absolute control of the County, but only to such limited super-
8 vision and checks as are deemed necessary or desirable by the
9 County to insure that the proceeds of the Bonds are used to
10 accomplish the public purposes of the Act and this Ordinance.
11 The transactions authorized hereby do not constitute the
12 acquisition of property for public use or the purchase of
13 equipment for public use. The public purposes expressed in the
14 Act are to be achieved by facilitating the acquisition of the
15 Industrial Building by the Company.

16 5. The security for the Bonds shall be solely and
17 exclusively (a) the absolute, irrevocable and unconditional
18 obligation of the Company to make the payments required by the
19 Loan Agreement and (b) monies realized from any and all
20 collateral (including the Industrial Building) pledged as
21 security for the Loan.

22 6. None of the receipts and revenues of the County
23 from the Bonds or the Agreements shall be set aside as a
24 depreciation account (mentioned in the Act).

25 7. The best interests of the County will be served by
26 selling the Bonds to Commercial and Savings Bank or other
27 purchaser approved by resolution of the Harford County Council
28 at private (negotiated) sale, as authorized by the Act, upon
29 the terms and conditions approved by the County as set forth
30 in this Ordinance.

31 Section 2. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
32 OF HARFORD COUNTY, MARYLAND, that, subject to the provisions

1 of this Ordinance, the County is authorized and empowered
2 pursuant to the Act, to issue and sell its Harford County,
3 Maryland, Industrial Development Revenue Bonds (Courtland
4 Hardware, Inc. Project) in a principal amount not to exceed
5 Eight Hundred Twenty Five Thousand Dollars (\$825,000), such
6 Bonds to be solely and exclusively payable from revenue
7 derived by the County from payments on the Loan by the Company,
8 and secured as provided herein. The Bonds shall be designated
9 "Harford County, Maryland, Industrial Development Revenue Bonds
10 (Courtland Hardware, Inc. Project)", shall bear interest and
11 be payable as provided in subsequent resolutions approved by
12 the Harford County Council, and shall be in substantially the
13 following form, with such changes as may be approved by
14 resolutions of the Harford County Council.

BOOK 6 PAGE 732

UNITED STATES OF AMERICASTATE OF MARYLANDHARFORD COUNTY, MARYLANDINDUSTRIAL DEVELOPMENT REVENUE BONDCOURTLAND HARDWARE, INC. PROJECT

1981

\$825,000

For value received, Harford County, Maryland (the "Issuer"), a body politic and corporate and a political subdivision of the State of Maryland, hereby promises to pay to bearer, or if this bond be registered as herein provided, then to the registered owner hereof, solely from the special fund hereinafter described and from no other source, on or before the day of , 20 , ("Maturity"), as provided below, the principal sum of

 Dollars (\$) and to pay solely from said special fund, interest thereon from date hereof at the rate of per annum, first payable , 19 , and on each and thereafter until maturity, with principal being first payable , 19 , and on each and thereafter until maturity, in an amount which when added to the interest due and payable on each such date shall equal

 Dollars (\$), with the unpaid principal, if any due and payable on maturity. Both the principal hereof and the interest hereon are payable in lawful money of the United States of America at the principal office of Commercial and Savings Bank in Bel Air, Maryland.

This Bond is the duly authorized issue of the issuer designated as "Harford County, Maryland Industrial Development Revenue Bond (Courtland Hardware, Inc. Project)". This Bond is hereinafter referred to as the "Bond" or "Bond."

This bond is issued pursuant to the authority of

1 Sections 266(A) to 266(I), inclusive, of Article 41 of the
2 Annotated Code of Maryland (1978 Replacement Volume 1980
3 Cumulative Supplement), as amended (the "Act"), and pursuant
4 to and under the authority of Council Bill No. 81-
5 enacted by the County Council of Harford County on
6 19 , which Council Bill No. 81- became effective on
7 1981 (the "Ordinance") and certain resolutions
8 approved by the County Council of Harford County ("Resolutions").
9 Reference is hereby made to the Ordinance and Resolutions for
10 the provisions, among others, with respect to (A) the nature
11 and extent of the security for this bond, (B) the rights,
12 duties and obligations of the County (C) the terms upon which
13 this Bond is issued and secured and (D) the modification or
14 amendment of any of the foregoing or of agreements executed
15 and delivered in connection with the Courtland Hardware, Inc.
16 Project; and by the acceptance of this Bond, the holder hereof
17 assents to all of the provisions of the Ordinance and
18 Resolutions and agrees to be bound thereby.

19 This Bond is issued for the purpose of financing, in
20 whole or in part, the cost of the acquisition (as defined in
21 the Act) by Courtland Hardware, Inc. of an Industrial Building
22 (as defined in the Act) in Harford County, Maryland (the
23 "Industrial Building"), and paying expenses incidental thereto
24 so as to help relieve conditions of unemployment in the State
25 of Maryland and in Harford County, and to help encourage the
26 increase of industry and achieve a balanced economy in the
27 State of Maryland and in Harford County, to assist in the
28 retention of industry existing in the State of Maryland, to
29 promote economic development, and in this manner to promote
30 the health, welfare and safety of Harford County.

31 This Bond and the redemption premium (if any) and
32 interest hereon shall not be deemed to constitute a debt or

1 a general obligation or a pledge of the faith and credit of
2 the State of Maryland or of Harford County, Maryland, and does
3 not directly, indirectly or contingently obligate said State
4 or County to levy or to pledge any form of taxation whatever
5 for the payment of such principal, redemption premium (if any)
6 and interest. This Bond is payable solely from revenues
7 derived from payments by Courtland Hardware, Inc. (the "Company")
8 to the County under a Loan Agreement of even date herewith
9 between the County and the Company ("Loan Agreement"), any and
10 all monies realized from the sale of collateral pledged as
11 security for such loan and all monies received under any
12 guaranty agreements. Neither this Bond nor the interest payable
13 hereon shall ever constitute an indebtedness or a charge
14 against the general credit or taxing powers of the County
15 within the meaning of any constitutional provision or statutory
16 or charter limitation and neither shall ever constitute or give
17 rise to any pecuniary liability of the County. No recourse
18 shall be had for the payment of the principal of, or the
19 redemption premium (if any) and the interest on, this Bond
20 against any officer or member of the Issuer.

21 Pursuant to the Loan Agreement, payments sufficient
22 for the prompt payment when due of the principal of and interest
23 on this Bond are to be paid by the Company directly to
24 Commercial and Savings Bank (the "Bank") to be held by the
25 Bank, as agent for the holder of this Bond, in a separate and
26 special fund created by the Ordinance, to be used by the Bank,
27 as agent for the holder of the Bond, for the payment of the
28 principal of and interest on this Bond.

29 The County may under certain circumstances prescribed
30 in Section 6 of the Ordinance be required to pay (but only
31 out of amounts made available to the County by the Company
32

1 or others for such purposes) all or part of the principal of
2 this Bond plus accrued and unpaid interest before maturity upon
3 the terms provided in such Section 6 of the Ordinance. In the
4 event of partial prepayment, the holder hereof shall surrender
5 this Bond to the Bond Registrar (hereinafter referred to), for
6 notation hereon that this Bond, to the extent of the amount
7 prepaid, has been partially prepaid. In the event of a partial
8 prepayment of this Bond, the sums applied to the prepayment
9 shall be applied to the prepayment of the principal hereof
10 in the inverse order of the monthly installment payment dates.
11 Reference is hereby made to Section 6 of the Ordinance for
12 the provisions relating to the prepayment of this Bond, and,
13 by the acceptance of this Bond, the holder hereof assents to
14 such prepayment provisions and agrees to be bound thereby.

15 Notice of any such prepayment shall be given at least
16 two (2) banking days prior to the prepayment date by mailing
17 and by telegraphing to the registered owner of this Bond a
18 notice fixing such prepayment date, the amount of principal
19 to be prepaid and the interest to be paid through the prepay-
20 ment date. The notice required herein to be given may be
21 waived by the registered owner of this Bond.

22 All payments hereunder shall be made in immediately
23 available funds at the office of Commercial and Savings Bank,
24 Bel Air, Maryland. If any principal or interest payable hereon
25 falls due on any day other than a banking day at the Bank,
26 then such payment date shall be extended to the next succeeding
27 full banking day.

28 In the event any installments of the principal and
29 interest, or payment of interest, as hereinabove provided,
30 is not paid when due and payable, such installment of principal
31 and interest, or payment of interest, shall bear interest at
32 the rate of per annum until paid.

1 This Bond shall be registered as to both principal and
2 interest. The Bank shall serve as Bond Registrar, and shall
3 keep at its principal office in Bel Air, Maryland, for so
4 long as this Bond remains outstanding, books for the regis-
5 tration and transfer hereof. When used herein, the term
6 "holder of this Bond" shall mean the registered owner from
7 time to time of this Bond. The initial holder of this Bond
8 shall be the Bank.

9 This Bond shall be transferable only upon the books
10 maintained by the Bond Registrar by the registered owner hereof
11 in person or by his attorney duly authorized in writing, upon
12 surrender hereof together with a written instrument or transfer
13 satisfactory to the Bond Registrar duly executed by the regis-
14 tered owner or his duly authorized attorney. This Bond is a
15 "security" within the meaning of Article 8 of the Maryland
16 Uniform Commercial Code, and, notwithstanding the provisions
17 herein contained for registration, is, and shall remain,
18 negotiable. The laws of the State of Maryland shall govern
19 the construction of this Bond.

20 The County, the Bank, any trustees under any trust
21 agreement for the holder of this Bond, and the Bond Registrar
22 may deem and treat the person in whose name this Bond shall
23 be registered as the absolute owner hereof, whether this Bond
24 shall be overdue or not, for the purpose of receiving payment
25 of, or on account of, the principal of and interest hereon and
26 for all purposes, and all such payments so made to such
27 registered owner or upon his order shall be valid and effectual
28 to satisfy and discharge the liability upon this Bond to the
29 extent of the sum or sums so paid, and neither the County nor
30 the Bank, as agent for the holder of this Bond, nor the Bond
31 Registrar shall be affected by any notice to the contrary.

32 Within sixty (60) days after receipt of a written request

1 from the holder hereof (or within such longer period as may be
2 reasonably required for the authorization, issuance and prepara-
3 tion of bonds) the County will take action necessary to cause
4 serial bonds to be duly authorized and issued, to the extent
5 permitted by applicable laws, in order that this Bond may be
6 exchanged for a series of serial bonds. Any serial bonds so
7 authorized and issued shall be substantially in the same form
8 as this Bond, with only such changes in amounts, dates and
9 other details as may be necessary. All such serial bonds shall
10 (a) bear interest at the same rate, and (b) be ratably and
11 equally secured by, and entitled to the benefits of, the
12 Ordinance and the security for the repayment of the Bond
13 provided for therein. Any expenses incurred by the County in
14 authorizing and issuing any such serial bonds shall be paid
15 by the Company.

16 IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all
17 conditions, acts and things required by the Constitution and
18 laws of the State of Maryland and the Charter of Harford County,
19 Maryland, to exist, to have happened and to have been performed
20 precedent to and in the execution and delivery of this Bond
21 exist, have happened, and have been performed, and that the
22 issuance of this Bond, together with all obligations of the
23 County, does not exceed or violate any constitutional or
24 statutory debt limitations.

25 IN WITNESS WHEREOF, HARFORD COUNTY, MARYLAND, has caused
26 this Bond to be signed by the manual signature of its County
27 Executive, and has also caused its corporate seal to be
28 hereunto affixed and attested by the manual signatures of its
29 Director of Administration, all as of the day of
30 , 1981.

1 ATTEST: HARFORD COUNTY, MARYLAND

2
3 By _____
4 Director of Administration County Executive

5 (SEAL)

6 (A Prepayment Record will be attached to the Bond.)

7 Section 4. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
8 OF HARFORD COUNTY, MARYLAND, that in consideration of the
9 purchase and acceptance of the Bonds by those who shall hold
10 the same from time to time, (i) this Ordinance shall be deemed
11 to be and shall constitute a contract between the County and
12 the holder from time to time of the Bonds; and (ii) the assign-
13 ments described herein and the covenants to be performed by
14 or on behalf of the County shall be for the benefit, protection
15 and security of the holder of the Bonds.

16 Section 5. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
17 OF HARFORD COUNTY, MARYLAND, that simultaneously with the
18 issuance and sale of the Bonds, the County, will, pursuant
19 to the terms of the Agreements and the Act, cause the proceeds
20 of sale thereof to be applied to the acquisition of the Indus-
21 trial Building in accordance with the provisions of the Act,
22 this Ordinance and the Resolutions.

23 The proceeds of the Bonds shall be advanced as provided
24 in the Agreements, and, in order to insure that such proceeds
25 will be used for the purposes set forth in the Act, the County
26 shall deposit such proceeds with the trustees under the Trust
27 Agreement, and as provided in the Agreements, who will hold,
28 invest and disburse such proceeds as herein and in the Agree-
29 ments provided.

30 Section 6. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
31 OF HARFORD COUNTY, MARYLAND, that the County covenants that
32 it will promptly pay the principal of and interest on the Bonds,

1 and premium, if any, at the place, on the dates and in the
2 manner provided in this Ordinance and in the Bonds according
3 to their true intent and meaning; provided that the Bonds,
4 together with the interest thereon, shall be the limited
5 obligation of the County payable solely from the monies derived
6 from (a) the Loan Agreement and the sale of any collateral
7 pledged thereunder, and (b) all other security referred to in
8 this Ordinance, and shall be a valid claim of the holder thereof
9 only against such monies, which monies shall be used for no
10 other purpose than to pay the principal of and interest on
11 the Bonds and expenses authorized by the Act (except as may
12 be otherwise expressly authorized in this Ordinance). Neither
13 the Bonds nor the interest payable thereon shall ever constitute
14 an indebtedness or a charge against the general credit or taxing
15 powers of the County within the meaning of any constitutional
16 or charter provision or statutory limitation and neither shall
17 ever constitute or give rise to any pecuniary liability of the
18 County.

19 Section 7. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
20 OF HARFORD COUNTY, MARYLAND, that payment of the Bonds and the
21 interest thereon shall be made to the registered owner thereof
22 by the Bank as agent for the holder of the Bonds. All payments
23 of principal, interest and other charges required by this
24 Ordinance or the Bonds shall be made at Commercial and Savings
25 Bank, Bel Air, Maryland, in lawful money of the United States
26 of America, in immediately available funds. Interest on the
27 Bonds shall be calculated on the basis of a 360-day year factor
28 to be applied to actual days elapsed. If any principal and/or
29 payment on the Bonds falls due on a Saturday, Sunday or public
30 holiday at the place of payment thereof, then such date shall
31 be extended to the next succeeding full banking day at such
32 place.

1 When the principal of and interest on the Bonds shall
2 have been fully paid, the Bonds shall forthwith be surrendered
3 to the Bond Registrar for cancellation.

4 Section 8. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
5 OF HARFORD COUNTY, MARYLAND, that the Bonds shall be registered
6 as to both principal and interest. The Bank shall serve as
7 Bond Registrar, and it shall keep at its principal office,
8 for so long as the Bonds remain outstanding, books for the
9 registration and transfer of the Bonds.

10 The Bonds shall be transferable only upon the books
11 maintained by the Bond Registrar by the registered owner thereof
12 in person or by his attorney duly authorized in writing, upon
13 surrender thereof together with a written instrument of transfer
14 satisfactory to the Bond Registrar duly executed by the regis-
15 tered owner or his duly authorized attorney.

16 The County, the Bank as agent for the holder of the
17 Bonds and the Bond Registrar may deem and treat the person
18 in whose name the Bonds shall be registered as the absolute
19 owner of the Bonds, whether the Bonds shall be overdue or not,
20 for the purpose of receiving payment of, or on account of,
21 the principal of and interest on the Bonds and for all other
22 purposes, and all such payments so made to such registered
23 owner or upon his order shall be valid and effectual to satisfy
24 and discharge the liability upon the Bonds to the extent of
25 the sum or sums so paid, and neither the County nor the Bank
26 nor the Bond Registrar shall be affected by any notice to the
27 contrary.

28 The Bonds shall be in the denomination of Five Thousand
29 Dollars (\$5,000) each or in such other denomination as may be
30 approved in the Resolutions.

31 Section 9. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
32 OF HARFORD COUNTY, MARYLAND, that the County intends to assist

1 in the financing of the Industrial Building for the Company
2 in an amount not to exceed Eight Hundred Twenty Five Thousand
3 Dollars (\$825,000) as described generally in the letter of
4 Intent, by authorizing the issuance and sale of the Bonds
5 pursuant to the Act, and by using the proceeds thereof for the
6 purposes described in this Ordinance and in the agreements for
7 financing of the acquisition of an Industrial Building, including
8 the Loan Agreement and other documents as may be approved by
9 Resolutions adopted by the Harford County Council, the Bond
10 to be secured solely as hereinabove provided in this Ordinance.

11 This Ordinance is adopted as a material inducement to the
12 Company to acquire and construct the Industrial Building in
13 Harford County, Maryland.

14 Section 10. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
15 OF HARFORD COUNTY, MARYLAND, that the execution and delivery
16 of the Bonds, the agreements, and all other documents necessary
17 to evidence and secure the Bonds and the Agreements are hereby
18 authorized. The Bonds and other Agreements shall be executed
19 on behalf of the County by the County Executive of the County
20 by his signature, and the corporate seal of the County shall be
21 impressed or otherwise reproduced thereon and attested by the
22 Director of Administration of the County by his manual signature.
23 In case any officer whose signature shall appear on the Bonds
24 or any of the aforesaid documents shall cease to be such
25 officer before the delivery of the Bonds or any of the other
26 documents aforesaid, such signature shall nevertheless be valid
27 and sufficient for all purposes, the same as if such officer
28 had remained in office until delivery. The County Executive,
29 the Director of Administration and other officials of the County
30 shall do all such acts and things and execute such supporting
31 documents and certificates as may be necessary to carry out
32 and comply with the provisions hereof, including, but not limited

1 to, the statement of election required by Section 103(b)(6)(D)
2 of the Federal Internal Revenue Code of 1954, as amended.
3 Before the execution and delivery of the Bonds by the County
4 Executive to the Bank as agent for the holder of the Bonds, the
5 County shall have received a certificate signed by an officer
6 of the Bank and the Company and satisfactory to counsel for
7 the County stating that (a) the Bank has purchased the Bond
8 as a commercial investment and not with a view to redistribute
9 the same to the general public, and (b) the Bank has not relied
10 upon the County or its agents for or received from the County
11 or its agents any information concerning the financial condition
12 or other information relating to Courtland Hardware, Inc.

13 Section 11. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
14 OF HARFORD COUNTY, MARYLAND, that the provisions of this
15 Ordinance are severable, and if any provision, sentence, clause,
16 section or part thereof is held illegal, invalid or uncon-
17 stitutional or inapplicable to any person or circumstances,
18 such illegality, invalidity or unconstitutionality, or inap-
19 plicability shall not affect or impair any of the remaining
20 provisions, sentences, clauses, sections, or parts of this
21 Ordinance or their application to other persons or circumstances.
22 It is hereby declared to be the legislative intent that this
23 Ordinance would have been passed if such illegal, invalid or
24 unconstitutional provisions, sentence, clause, section or part
25 had not been included herein, and if the person or circumstances
26 to which this Ordinance or any part hereof are inapplicable
27 had been specifically exempted herefrom.

28 Section 12. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
29 OF HARFORD COUNTY, MARYLAND, that the County Council of Harford
30 County, Maryland, by resolution may change the amount of Bonds
31 to be sold but not in excess of Eight Hundred Twenty Five
32 Thousand Dollars (\$825,000), provide for the maturity schedule

1 of the Bonds, the interest payable on the Bonds, the date of
2 the Bonds, the dates of payment of interest and principal on
3 the Bonds, change the form of the Bonds, provide for prepayment
4 provisions with respect to payment of the Bonds prior to their
5 maturity and provide for the execution of any and all agreements
6 necessary or appropriate to accomplish the issuance and sale of
7 the Bonds, in the manner herein described or in any other
8 manner consistent with Sections 266(A) to 266(I), inclusive,
9 of Article 41 of the Annotated Code of Maryland (1978 Replace-
10 ment Volume, 1980 Cumulative Supplement), so long as the
11 County has no pecuniary liability with respect to the payment of
12 principal and interest on the Bonds.

13 Section 13. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
14 OF HARFORD COUNTY, MARYLAND, that all expenses of the County,
15 including the expenses of private attorneys employed by the
16 County in connection with the issuance and sale of the Bonds
17 shall be paid by Courtland Hardware, Inc.

18 Section 14. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
19 OF HARFORD COUNTY, MARYLAND, that the Industrial Building and
20 the sale of the Bonds therefor shall not constitute a capital
21 project within the meaning of the Harford County Charter
22 or Code.

23 Section 15. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
24 OF HARFORD COUNTY, MARYLAND, that the Company, shall pay or
25 make arrangements for the payment of any taxes, assessments
26 or charges which may be lawfully levied, assessed or charged
27 against the Industrial Building and the Land underlying the
28 Industrial Building, or, in the event such charge may not be
29 made due to ownership of legal title by the County, the Company,
30 agrees to make payments to or make arrangements for the payment
31 to the County of amounts equal to taxes which the County would
32 otherwise have the right to assess.

1 Section 16. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
2 OF HARFORD COUNTY, MARYLAND, that an appropriate indemnity,
3 defense and hold harmless agreement shall be executed by the
4 Company, in form and substance satisfactory to counsel for the
5 County, as provided in the Letter of Intent prior to the issuance
6 of the Bonds.

7 Section 17. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
8 OF HARFORD COUNTY, MARYLAND, that the Bonds, when issued, shall
9 be executed in the name of Harford County, Maryland, by the
10 facsimile or manual signature of the County Executive of
11 Harford County, Maryland, and a facsimile of the corporate
12 seal of the County shall be imprinted on each of the Bonds
13 attested by the manual signature of the Director of Adminis-
14 tration of Harford County. The facsimiles of said signature
15 and said seal shall be engraved, printed or lithographed on
16 each of the Bonds in accordance with, and pursuant to the
17 authority of Section 13-18, inclusive, of Article 31 of the
18 Annotated Code of Maryland (1981 Replacement Volume).

19
20 Section 18. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
21 OF HARFORD COUNTY, MARYLAND, that the Bonds must be issued and
22 sold within six (6) months from the date on which this
23 Ordinance becomes law; provided, however, that the County
24 Council after a showing of good cause after a public hearing
25 held before the County Council prior to or after the expiration
26 of such six (6) month period, may extend the period during
27 which either the Bonds may be issued and sold for such additional
28 terms not to exceed six (6) months from the date on which the
29 first six (6) month period expired. The County Council, in
30 its sole discretion, shall determine the sufficiency, or lack
31 thereof, of the reasons presented for any requested extension
32 of the six (6) month period. If an extension is granted, notice

1 of such extension and the reasons therefor must be sent to the
2 County Executive. If the Bonds are not issued and sold within
3 said six (6) month period or any approved extension thereof,
4 the authority provided in this Ordinance for the County to
5 issue and sell the Bonds shall expire.

6 Section 19. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
7 OF HARFORD COUNTY, MARYLAND, that this Ordinance has no
8 financial impact on Harford County, Maryland, and, therefore,
9 there is no requirement for a fiscal impact note.

10
11 EFFECTIVE: November 13, 1981

12
13 *The Secretary of the Council does hereby*
14 *certify that fifteen (15) copies of this Bill*
15 *are immediately available for distribution to*
16 *the public and the press.*

17 *Angela Mackowski*, Secretary
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BOOK 6 PAGE 746

BY THE COUNCIL

Read the third time, BILL NO. 81-54

Passed LSD 81-26 (September 8, 1981)XXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXX

By order

Angela Markowski, Secretary

Sealed with the County Seal and presented to the County Executive
 for his approval this 9th day of September, 1981
 at 3:00 o'clock P.M.

Angela Markowski, Secretary

BY THE EXECUTIVE

APPROVED:

Thomas Branger
 County Executive
 Date September 14, 1981

BY THE COUNCIL

This Bill (No. 81-54), having been approved by the Executive and
 returned to the Council, becomes law on September 14, 1981.

Angela Markowski, Secretary

Rec'd & Recorded 11-10 1981 at 1:00 P.M.
 Liber 6 Folio 722 & examined per
 H. Douglas Chilcoat, Clerk, Harford Co.

EFFECTIVE DATE: November 13, 1981